

फा.सं. ऐरा/20010/एमवाईटीपी/डब्ल्यूएफएसबीपीएल/सी/बैंगलुरु/सीपी-III/2023-28

File No. AERA/20010/ MYTP/WFSBPL/C/Bengaluru/CP-III/2023-28

भारतीय विमानपत्तन आर्थिक विनियामक प्राधिकरण
Airports Economic Regulatory Authority of India

आदेश संख्या 06/2023-24

Order No. 06/2023-24

ऐरा भवन/AERA Building
प्रशासनिक कॉम्पलेक्स/Administrative Complex
सफदरजंग हवाईअड्डा/Safdarjung Airport
नई दिल्ली/New Delhi – 110003

जारी करने की तारीख/Date of Issue: 19.05.2023

सेवा / Service : कार्गो हैंडलिंग सेवाएं / Cargo Handling Services
सेवा प्रदाता / Service provider : डब्ल्यूएफएस (बैंगलुरु) प्राइवेट लिमिटेड (डब्ल्यू.एफ.एस.बी.पी.एल.)/
WFS (Bengaluru) Private Limited (WFSBPL)
हवाईअड्डा /Airport : कैपेगोडा अंतर्राष्ट्रीय हवाईअड्डा (केआईए) बैंगलुरु /
Kempegowda International Airport (KIA), Bengaluru.
हवाईअड्डा प्रचालक / : बैंगलोर इंटरनेशनल एयरपोर्ट लिमिटेड (बी.आई.ए.एल.) /
Airport Operator Bangalore International Airport Limited (BIAL)

विषय : मैसर्स डब्ल्यूएफएस (बैंगलुरु) प्राइवेट लिमिटेड (डब्ल्यू.एफ.एस.बी.पी.एल.) द्वारा कैपेगोडा अंतर्राष्ट्रीय हवाईअड्डा (के.आई.ए.), बैंगलुरु में प्रदान की जाने वाली कार्गो हैंडलिंग सेवाओं के लिए वाणिज्यिक प्रचालन की तारीख ("सी.ओ.डी.") अर्थात् 24.05.2023 से 30.09.2023 तक के लिए तदर्थ टैरिफ निर्धारित करने के मामले में/

Sub.: In the matter of Determination of Ad-hoc Tariff for Cargo Handling Services to be provided by M/s WFS (Bengaluru) Private Limited (WFSBPL) at Kempegowda International Airport (KIA), Bengaluru from Commercial Operations Date (COD) i.e. 24.05.2023 up to 30.09.2023.

ISP's submission:

1. WFS Global SAS is one of the successful bidders selected by the airport operator i.e. Bangalore International Airport Limited (BIAL) to operate International Cargo Terminal at Kempegowda International Airport (KIA), Bengaluru. A Joint Venture Agreement was executed between BIAL and WFS Global SAS (successful bidder) on 3rd June 2022. Thereafter, in accordance with the terms & conditions set out in the Joint Venture Agreement mentioned above, a Joint Venture Company (JVC) namely WFS (Bengaluru) Private Limited (WFSBPL) was formed to provide International Cargo Handling Services at Cargo Terminal 2 & Cold Chain Facility, KIA, Bengaluru. The JVC (WFSBPL) has been incorporated under the Indian Companies Act, 2013 on 25.07.2022.

2. Subsequently, a separate Service Provider Right Holder Agreement (“SPRHA”) (tripartite agreement) has been executed between BIAL, WFS Global SAS and WFSBPL (JVC) on 16th December, 2022. As per SPRHA, concession awarded for Cargo Handling Services to WFSBPL is valid for a period of 15 years from date of handover of the existing Cargo Terminal-2, which is further extendable for a period up to 7 years, at the discretion of the airport operator. As per clause 2 of SPRHA, WFSBPL has a right to design, build, finance, develop, refurbish, operate, manage, maintain and transfer of Cargo Terminal (“CT2”) and the Cold Chain Facility (“CCF”) at KIA, Bengaluru.
3. M/s WFSBPL submitted the Multi-Year Tariff Proposal (updated) to the Authority for the period from FY 2023-24 to FY 2027-28 on 17.02.2023, for the determination of tariff in respect of International Cargo Handling Services to be provided by the ISP at KIA, Bengaluru.
4. M/s WFSBPL, vide email dated 15.05.2023, requested the Authority that considering the commencement of their commercial operations w.e.f. 24.05.2023, ad-hoc tariff for FY 2023-24 (w.e.f. 24.05.2023) in respect of their proposed international cargo handling services at Bengaluru airport may be approved, based on the prevailing tariff applicable to incumbent operator (i.e. AISATS, Bengaluru) with 45% escalation in tariff rates.

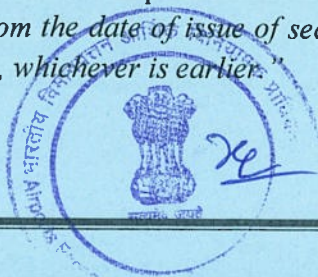
Authority’s examination on the request of M/s WFSBPL:

5. The Authority notes that WFS Global SAS has been awarded a concession to provide International Cargo Handling Services, including Cold Chain Facilities for international cargo, at KIA, Bengaluru by the Airport Operator (BIAL). Pursuant to above, a joint venture company namely “WFSBPL” was formed by WFS Global SAS and BIAL and incorporated under the Indian Companies Act, 2013 on 25.07.2022.
6. The Authority further notes that a SPRH Agreement (tripartite agreement) was executed between BIAL, WFS Global SAS and WFSBPL (JVC) on 16.12.2022. As per SPRH Agreement, the concession term is Fifteen (15) years from the date of handover of Existing Cargo Terminal-2, extendable for a further period up to Seven (7) years, at the discretion of the BIAL.
7. The shareholding structure of the WFSBPL is as below:

Summary of Shareholding Structure of WFSBPL

| Name of Shareholder | Equity Holding (%) |
|--|--------------------|
| WFS Global SAS | 74% |
| Bangalore International Airport Limited (BIAL) | 26% |
| TOTAL | 100% |

8. As per clause 2 of SPRH Agreement, WFSBPL is entrusted with the rights to design, build, finance, develop, refurbish, operate, manage, maintain and transfer of Cargo Terminal (“CT2”) and the Cold Chain Facility (“CCF”) as prescribed by BIAL.
9. The Authority notes that WFSBPL has obtained the security clearance from Bureau of Civil Aviation (BCAS) vide its letter dated 20.04.2023. As per the BCAS approval, *“The security clearance shall be valid for a period of five years from the date of issue of security clearance or the period of validity of contract with the airport operator, whichever is earlier.”*



10. The Authority, after thorough examination of the WFSBPL's MYTP and considering other relevant aspects of the case, issued the Consultation Paper no. 01/2023-24 dated 24.04.2023 for the determination of Tariff in respect of International Cargo Handling Services to be provided by the ISP at KIA, Bengaluru.
11. The Authority notes that WFSBPL in its proposal regarding ad-hoc tariff for international cargo handling services has proposed 45% uniform increase in Tariff rates, over the existing tariff rates approved by the Authority for the incumbent Cargo Service Provider i.e. AISATS at Bengaluru Airport.
12. As regard to request of the ISP regarding 45% increase in the tariff rates, over the existing tariff as applicable to incumbent cargo terminal operator, on ad-hoc basis; it is pertinent to note that the regulatory process for the determination of regular tariff for the ISP is in process (CP already issued & stakeholders' comments received). The Authority will finalize its Tariff Order after considering the stakeholders comments and other relevant aspects of the case, including various regulatory building blocks, including cargo volumes, CAPEX, OPEX etc.
13. At this stage, for the purpose of ad-hoc tariff for the ISP, the Authority decides to consider ad-hoc tariff for the WFSBPL in respect of its proposed international cargo handling services at KIA, Bengaluru w.e.f. 24.05.2023, considering the lowest charges between the prevailing tariffs of the two incumbent cargo terminal operators at Bengaluru Airport i.e. Menzies Aviation Bobba (Bengaluru) Pvt. Ltd. & Air India SATS Airport Services Private Limited (AISATS) as approved by the AERA vide Order no. 41/2018-19 dated 25th February, 2019 & 40/2017-18 dated 1st March, 2018 respectively and which have been further extended up to 30.09.2023, on interim basis as per AERA orders, issued from time to time.

For the purpose of ad-hoc tariff pertaining to AFS Cargo, following the AERA's consistent approach towards encouragement of the concept of AFS Cargo in the country, the Authority, as an interim measure, decides 30% lower TSP charges in respect of Cargo pertaining to approved AFS Operator vis-à-vis ad-hoc TSP charges considered for normal cargo handling services (other than AFS Cargo).

14. The Authority notes that completion of regulatory process for determination of regular Tariff for Cargo Handling Services for the ISP at Bengaluru airport, including issuance of Tariff Order, will take some time. Further, considering that ISP's proposed commercial operations at Bengaluru airport from 24.05.2023, the Authority, as an interim measure, decides to consider ad-hoc Tariff for the International Cargo Handling Services to be provided by the ISP at Bengaluru airport, as per the **Annexures-I w.e.f. 24.05.2023 up to 30.09.2023**, or, till the determination of regular Tariff for the ISP, whichever is earlier.

ORDER

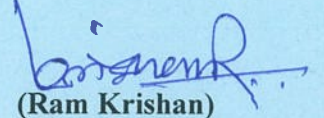
Upon careful consideration of the material available on records, the Authority, in exercise of powers conferred by Section 13(1) (a) of the Airports Economic Regulatory Authority of India Act, 2008, hereby orders that:

- (i) M/s WFS (Bengaluru) Private Limited is allowed to levy and collect User charges for International Cargo Handling Services at Kempegowda International Airport, Bengaluru, on ad-hoc basis, as per the **Annexures-I w.e.f. 24.05.2023 to 30.09.2023**, or, till the determination of regular Tariff for ISP in respect of its Cargo Handling Services for the First Control Period, whichever is earlier.
- (ii) This order shall be effective subject to receipt of all requisite regulatory & statutory approvals, before the commencement of commercial operations by the WFSBPL at Kempegowda International Airport (KIA), Bengaluru.
- (iii) Tariff determined, hereinunder, shall be maximum Tariff to be charged. No other charge(s) is to be levied over and above the approved Tariff.



- (iv) The Tariff rates approved hereinunder is excluding of applicable taxes, if any.
- (v) The Airport Operator shall ensure compliance of this Order.

By the Order of and in the Name of the Authority


(Ram Krishan)
Director (P&S)

To,

Mr. Kiran Kumar JG,
Chief Financial Officer, (CFO)
M/s WFS (Bengaluru) Private Limited (WFSBPL),
Administration Block, Kempegowda International Airport,
Bengaluru, Karnataka-560300.

Copy for information to:

- 1) Secretary, Ministry of Civil Aviation, Rajiv Gandhi Bhawan, Safdarjung Airport, New Delhi-110003.
- 2) Shri Hari Marar, Managing Director, Bangalore International Airport Pvt. Ltd. (BIAL) Alpha-2 Administration Block, Devanahalli, Bangalore -560300.



Annexure-I**Approved Ad-hoc Tariff Rate Card for M/s WFS (Bengaluru) Private Limited (WFSBPL) in respect of Cargo Handling Services at Kempegowda International Airport (KIA), Bengaluru**

(Ad-hoc Tariff rates are applicable from 24.05.2023 up to 30.09.2023)

I Tariff Rates for International Cargo Handling Services payable by Freight Forwarders/Agents/Shippers.**(A)- EXPORT CARGO HANDLING SERVICES**

(Rates in ₹)

| S.NO. | LIST OF CHARGES | Rate Per Kg/ Per Unit | Minimum Charges |
|-------|---|---------------------------|-----------------|
| 1) | Terminal, Storage and Processing Charge (TSP) – per Shipping Bill | | |
| (a) | General Cargo | 1.05 | 125 |
| (b) | Special Cargo (AVI) | 1.58 | 250 |
| (c) | PER/DGR/VAL cargo | 2.73 | 250 |
| (d) | Perishable CARGO in Cold Chain Facility (PER/PIL/PEF, etc.) | 2.75 | 250 |
| (e) | <u>BUP Charges - General Cargo*</u> | | |
| | BUP Charge (up to LD3) | 1167 per unit | - |
| | BUP Charge (above LD3 - lower deck pallet) | 2334 per unit | - |
| | BUP Charge (above LD3 - main deck pallet) | 4998 per unit | - |
| (f) | <u>BUP Charges - Other than General Cargo*</u> | | |
| | BUP Charge (up to LD3) | 1756 per unit | - |
| | BUP Charge (above LD3 - lower deck pallet) | 3512 per unit | - |
| | BUP Charge (above LD3 - main deck pallet) | 7521 per unit | - |
| 2) | Demurrage/Storage Charges (Rate per kg per 24 hours) | | |
| (a) | General Cargo | 0.84 | 137 |
| (b) | Special Cargo (AVI) | 1.58 | 263 |
| (c) | PER/DGR/VAL cargo | 2.73 | 263 |
| 3) | Courier Handling Charge | 1.58 | 150 |
| 4) | Packing/Repacking/Strapping Charge | Per Carton/Bag | 5.00 |
| 5) | Return Cargo Charge | Per AWB | 500.00 |
| 6) | Airway Bill Amendment Charge | Per AWB | 100.00 |
| 7) | Weight/Volume Mis-Declaration Charge | | |
| (a) | 2-5% variation | 2 times of applicable TSP | - |
| (b) | More than 5% variation | 5 times of applicable TSP | - |
| 8) | Overtime Charge (Beyond Customs Working Hrs) | Per Shipping Bill | 50.00 |

| | | |
|-----------|---------|----------|
| VAL Cargo | Per AWB | 1,000.00 |
|-----------|---------|----------|

*BUP not permitted for consignments with restricted articles/DG/VAL cargo.

PER: Perishable; DGR: Dangerous; VAL: Valuable

(B)- IMPORT CARGO HANDLING SERVICES

(Rates in ₹)

| S.NO. | LIST OF CHARGES | Rate Per Kg/ Per Unit | Minimum Charges |
|-------|---|--------------------------|-----------------|
| 1) | Terminal, Storage and Processing Charge (TSP) – per Bill of Entry | | |
| (a) | General Cargo/ Unaccompanied Baggage | 5.40 | 125 |
| (b) | Special Cargo (AVI) | 10.80 | 250 |
| (c) | PER/DGR/VAL cargo | 10.80 | 250 |
| (d) | BUP Charges - General Cargo | | |
| | BUP Charge (up to LD3) | 6003 per unit | - |
| | BUP Charge (above LD3 - lower deck pallet) | 12002 per unit | - |
| | BUP Charge (above LD3 - main deck pallet) | 25704 per unit | - |
| (e) | BUP Charges - Other than General Cargo | | |
| | BUP Charge (up to LD3) | 12005 per unit | - |
| | BUP Charge (above LD3 - lower deck pallet) | 24003 per unit | - |
| | BUP Charge (above LD3 - main deck pallet) | 51408 per unit | - |
| 2) | Demurrage/Storage Charges (Rate per kg per 24 hrs) | | |
| (a) | General Cargo | | |
| (i) | Flight Actual Time of Arrival (ATA) plus 48 hrs | No charge | |
| (ii) | Cargo cleared between 48 hrs and 96 hrs | 1.65 | 336 |
| (iii) | Cargo cleared between 96 hrs and 720 hrs | 3.09 | 336 |
| (iv) | Cargo cleared after 720 hrs | 4.63 | 336 |
| (b) | Special Cargo (AVI) | | |
| (i) | Flight Actual Time of Arrival (ATA) plus 48 hrs | No charge | |
| (ii) | Cargo cleared between 48 hrs and 96 hrs | 3.09 | 625 |
| (iii) | Cargo cleared between 96 hrs and 720 hrs | 6.17 | 625 |
| (iv) | Cargo cleared after 720 hrs | 9.26 | 625 |
| (c) | PER/DGR/VAL cargo | | |
| (i) | Flight Actual Time of Arrival (ATA) plus 48 hrs | No charge | |
| (ii) | Cargo cleared between 48 hrs and 96 hrs | 6.17 | 1,275 |
| (iii) | Cargo cleared between 96 hrs and 720 hrs | 12.40 | 1,275 |
| (iv) | Cargo cleared after 720 hrs | 18.58 | 1,275 |
| 3) | Courier Handling Charge | | |
| 4) | Airway Bill Amendment Charge | Per AWB | 100 |
| 5) | Transshipment charge | | |
| (a) | General Cargo | 1.98 | 125 |
| (b) | PER/DGR/VAL Cargo | 1.98 | 235 |
| 6) | Documentation Charges | Per AWB | 100 |

| | | | |
|-----|--|-------------------|-------|
| 7) | Overtime Charges (Beyond Customer Working Hrs) | | |
| (a) | General Cargo | Per Bill of Entry | 200 |
| (b) | VAL Cargo | Per AWB | 1,000 |
| 8) | Packing/Repacking/Strapping Charge | Per Carton /Bag | 5 |

PER: Perishable; DGR: Dangerous; VAL: Valuable

Notes:

1. Consignments of Human Remains, Coffins and Unaccompanied Baggage of the Deceased and Human eyes will be exempt from the purview of TSP charges and Demurrage Charges.
2. TSP charges applicable to Newspaper TV reel consignments shall be at 50% of applicable charges.
3. TSP charges are inclusive of forklift used for loading/offloading the cargo to/from the truck and putting cargo on customs area for examination.
4. Charges will be levied on the Gross weight or Chargeable Weight whichever is higher. Wherever there is a mis-declaration of Gross weight or Chargeable Weight, the Actual Gross weight or the Actual Chargeable Weight will be used for the charges whichever is higher.

5. Demurrage

Export Cargo - Total free period available for export cargo would be 12 hrs. or as per the Govt. of India Orders, issued from time to time.

Import Cargo - Free period shall be 48 hrs. from segregation time or as per the Govt. of India Orders, issued from time to time.

If the clearance is done on 3rd and 4th day from Flight segregation Time then the charges are as per 2 (A), (B) & (C) per kg per day. If the clearance is done after the 4th day of the Flight Segregation Time, the demurrage will be calculated cumulatively as under:

- a) Day of Flight Segregation Time 4th day Slab 1
- b) 5th Day - 29 days - (both days inclusive) Slab 1 & Slab 2
- c) Beyond 29 days Slab 3

6. All billing will be rounded off to the nearest INR 5/- as per IATA Tact rule.
7. Special Cargo (AVI) consists of live animals and day-old chicks.
8. VAL cargo includes gold bullion, currency notes, shares, share coupons, traveler's cheque, diamonds (including diamonds for industrials use) diamond jewellery watches of silver-gold platinum and items valued at USD 1000/kg and above.
9. For consolidation on Transshipment cargo, TSP charges will be levied to all types of cargo, in addition to Transshipment Charges mentioned above.
10. All charges mentioned above exclude taxes which will be charged extra at the prevailing rates.
11. All charges mentioned above include the concession fees & other airport levies charged by the airport operator.
12. No outside labour will be allowed to handle cargo in WFSBPL Airfreight Terminal and WFSBPL Cold Chain Facility.
13. For BUP consignments, it is assumed that cargo arrives in unitized form, pre-screened and cleared. Any Unitization/Build-up/Palletization and X-ray screening services availed at the cargo terminal will attract the applicable charges.
14. Charges indicated above are ceiling rates.



II – Tariff Rates for International Cargo Handling Services payable by Airlines

EXPORT CARGO

(Rates in ₹)

| S.NO. | LIST OF CHARGES | Rate Per Kg/ Per Unit | Minimum Charges |
|-------|---|--------------------------|-----------------------|
| a | Handling Charges | | |
| a.1 | General Cargo | | |
| | - Palletization/containerization | 1.71 | - |
| | - Bulk Cargo | 1.22 | - |
| a.2 | Valuable/Perishable/Hazardous Cargo/Live Animals, etc | | |
| | - Palletization/containerization | 3.78 | - |
| | - Bulk Cargo | 1.71 | - |
| a.3 | Express & Courier Cargo | | |
| | - Palletization/containerization | 4.73 | - |
| | - Bulk Cargo | 2.89 | - |
| a.4 | <u>BUP Charge - General Cargo*</u> | | |
| | BUP Charge (upto LD3) | 1356 per unit | |
| | BUP Charge (above LD3 - lower deck pallet) | 2711 per unit | |
| | BUP Charge (above LD3 - main deck pallet) | 5807 per unit | |
| a.5 | <u>BUP Charge - Other than General Cargo*</u> | | |
| | BUP Charge (upto LD3) | 2568 per unit | |
| | BUP Charge (above LD3 - lower deck pallet) | 5134 per unit | |
| | BUP Charge (above LD3 - main deck pallet) | 10996 per unit | |
| 2) | Demurrage/Storage Charge (Rate per kg per day) | | |
| (a) | General Export Cargo | 1.79 | 241.5 per EGM |
| (b) | Valuable/Perishable/Hazardous Cargo/Live Animals, etc | 4.31 | 241.5 per AWB per day |
| 3) | X-ray Charges with Certification | 2.21 | 105 per consignment |
| 4) | Electronic Data Submission for Customs | 135 per flight | |

* BUP not permitted for consignments with restricted articles/DG/VAL cargo

IMPORT CARGO

(Rates in ₹)

| S.NO. | LIST OF CHARGES | Rate Per Kg/ Per Unit | Minimum Charges |
|-------|--------------------|--------------------------|-----------------|
| a | Handling Charges | | |
| a.1 | General Cargo | | |
| | - De-Palletization | 1.64 | - |
| | - Bulk Cargo | 1.22 | - |



| | | | |
|-----------------------------|--|----------------|-----------------------|
| a.2 | Valuable/Perishable/Hazardous Cargo/Live Animals, etc. | | |
| | - De-Palletization | 3.78 | - |
| | - Bulk Cargo | 2.31 | - |
| a.3 | Express & Courier Cargo | | |
| | - De-Palletization | 4.73 | - |
| | - Bulk Cargo | 2.89 | - |
| a.4 | <u>BUP Charge - General Cargo</u> | | |
| | BUP Charge (up to LD3) | 1356 per unit | - |
| | BUP Charge (above LD3 - lower deck pallet) | 2711 per unit | - |
| | BUP Charge (above LD3 - main deck pallet) | 5807 per unit | - |
| a.5 | <u>BUP Charge - Other than General Cargo</u> | | |
| | BUP Charge (up to LD3) | 2568 per unit | - |
| | BUP Charge (above LD3 - lower deck pallet) | 5134 per unit | - |
| | BUP Charge (above LD3 - main deck pallet) | 10996 per unit | - |
| 2) | Demurrage/Storage Charge (Rate per kg per day) | | |
| (a) | General Import Cargo | 1.79 | 241.5 per IGM |
| (b) | Valuable/Perishable/Hazardous Cargo/Live Animals, etc. | 4.31 | 241.5 per AWB per day |
| 3) | Electronic Data Submission for Customs | | 135 per flight |
| TRANSHIPMENT CHARGES | | | |
| 1) | Transshipment Charges | 2.10 | 168 per AWB per day |

Notes:

- Charges indicated above are ceiling rates.
- All charges mentioned above exclude taxes which will be charged extra at the prevailing rates.
- No outside labour will be allowed to handle cargo in WFSBPL Airfreight Terminal and WFSBPL Cold Chain Facility.
- For BUP consignments, it is assumed that cargo arrives in unitized form, pre-screened and cleared. Any Unitization/Build-up/Palletization and X-ray screening services availed at the cargo terminal will attract the applicable charges.

